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MassHousing closes on \$17.6m in financing for the Close Building

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Cambridge, MA MassHousing has closed on \$17.6 million in financing to Just-A-Start Corp. for the renovation and preservation of affordability at the Close Building. The MassHousing financing will allow Just-A-Start to preserve affordability at all 61 apartments at the Close Building for 30 years. Affordability restrictions at the property had expired in 2016, and Just-A-Start's decision to pursue a preservation transaction will keep the Close Building affordable for the long term.

"With the maturation of the previous mortgage, these 61 affordable apartments could have converted to market rates in a very expensive community for rental housing. Just-A-Start showed commitment and dedication to preserving and modernizing this important affordable housing resource in Cambridge," said MassHousing executive director Chrystal Kornegay. "The renovations planned for the Close Building will keep the property safe, modern, and affordable for lower and moderate-income Cambridge residents for years to come."

MassHousing provided Just-A-Start with a \$9.3 million construction and permanent loan, a \$6.5 million tax-exempt bridge loan and a \$1.8 million taxable bridge loan. The MassHousing financing generated \$10.7 million in Low-Income Housing Tax Credit equity for the project, and an allocation of state historic tax credits generated \$2.1 million in equity. The transaction also involved a \$7.7 million seller note.

"Housing is core to the stability and economic diversity of Cambridge and Just-A-Start is thrilled to be able to maintain and update this historic property and provide safe, affordable housing for the 61 residents of the Close Building," said Just-A-Start executive director Deborah Ruhe.

The refinancing will allow Just-A-Start to make extensive property improvements, including exterior masonry repairs, the installation of new windows, plumbing upgrades, unit improvements, and the creation of additional fully-accessible units.

Of the 61 units at the Close Building, 58 are affordable for households earning at or below 60% of the Area Median Income (AMI) and 3 units are for households earning at or below 80% of AMI. The AMI for Cambridge is \$107,800 for a family of four.

In conjunction with the refinancing, Just-A-Start renewed a 20-year federal project-based Section 8

Housing Assistance Payment contract on the 61 units at the Close Building. The use of Low-Income Housing Tax Credits will preserve affordability at the property for at least 30 years.

The six-story, brick Close Building was built as a factory in 1910 and converted to housing with MassHousing financing in 1976. There are 6 studios, 49 one-bedroom apartments and 6 two-bedroom apartments.

The contractor will be Delphi Construction, Inc. The architect is Davis Square Architects and the management agent is Maloney Properties.

MassHousing has financed or manages the rental subsidy on 14 rental housing communities in Cambridge involving 2,051 units and \$135.5 million in financing. The Agency has also provided home mortgage financing to 550 homeowners in Cambridge with \$68.5 million in financing.

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